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C O N F I D E N T I A L SECTION 01 OF 03 SHANGHAI 000416

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STATE FOR EAP/CM  
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TAGS: PREL PGOV KS KN CH

SUBJECT: SHANGHAI ACADEMIC VIEWS ON NORTH KOREA, SOUTH KOREA

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REASON: 1.4 (b), (d)

¶1. (C) Summary: In meetings with Poloffs in mid-June and early July, four Shanghai academics specializing in Korea studies predicted that there would be a long and difficult path of negotiations ahead for the Six-Party talks. Two other academics said, however, that North Korea would react positively if the United States was more cooperative and established diplomatic relations with it. The academics were firm that China could not and should not tolerate a nuclear North Korea for long, but said that China did not have the ability to force North Korea to de-nuclearize by itself. On China-South Korea relations, academics stated that the relationship between the two countries was good and constructive, although there were frictions in the relationship over historical issues. End Summary.

Difficult Negotiations Ahead?

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¶2. (C) Poloff met separately with six Shanghai academics specializing in Korea studies in mid-June and early-July to discuss prospects for the Six-Party Talks. Four Shanghai academics predicted that there would be a long and difficult path of negotiations ahead. Shanghai Academy of Social Sciences Institute of Asia and Pacific Studies Professor Liu Ming, in a meeting on June 15, said that it was unclear how far Pyongyang's commitment to further negotiations would go. He predicted that North Korea would continue with the Six-Party talks, but make further demands to maximize its awards at each stage. Shanghai Institute of International Studies (SIIS) Research Fellow Xue Chen in a separate conversation on June 15 said that neither the United States nor North Korea appeared to be in a hurry to resolve the issue. In particular, North Korea was waiting for a regime change in Washington and believed that a Democratic administration would be more flexible than the current administration.

¶3. (C) SIIS Senior Fellow Gong Keyu in a separate meeting on June 18 said that there was no trust between the United States and North Korea, and it was specifically this lack of trust that led to the failure of past negotiations. Furthermore, Gong claimed that what Pyongyang really wanted was a bilateral talk with the United States and the Six-Party talks may only be a

formality. SIIS Research Fellow Yu Yingli at the June 18 meeting with Gong added that the nuclear issue was North Korea's only bargaining chip and it was hard for the North Koreans to fully abandon it.

¶4. (C) SIIS International Strategic Studies Director Xia Liping and Fudan University Institute of International Studies Associate Dean Ren Xiao were more optimistic during separate conversations on July 3. According to Xia, the Kim Jong-il was ill and the regime was completely focused on succession issues. Kim believed that one of the best way to maintain power and ensure that one of his sons succeed him was to establish relations with the United States. Therefore, North Korea would be more flexible during future rounds of the Six-Party Talks. Xia noted, however, that it was not certain yet whether North Korea had made the strategic decision to give up nuclear weapons. Fudan University's Ren was even more optimistic. He said that there were more and more indications that North Korea had made the strategic decision to give up the weapons. He warned, however, that North Korea was taking a "reciprocal" approach to the talks and would only cooperate if the United States changed its "hostile" policy towards North Korea. He noted that Assistant Secretary Hill's recent trip to North Korea was a positive move in this direction.

#### China-North Korea Relations

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¶5. (C) Gong, Xue, Xia, Yu, and Liu were firm that China could not and should not tolerate a nuclear North Korea for long. They were not only worried about nuclear proliferation along China's borders, but the fact that North Korea was not reliable or stable. Liu said, however, that there was little that China could do on its own to stop North Korea and it needed to work

SHANGHAI 00000416 002 OF 003

with the international community on this issue. Xue cautioned that China had limited influence over North Korea and noted that China's attempts to influence North Korea's foreign policy and nuclear policy for the past decade had failed. Gong mentioned that Northeast China would be in jeopardy if the security balance breaks down in the Korean Peninsula, and that was the reason why China would never cut off its aid to North Korea.

¶6. (C) Ren said that China would continue to play its role of "middle-man" in the Six-Party Talks and would use its influence to get the North Koreans to participate in the talks. Xia said that there were indications that the Kim Jong-il regime was interested in economic reforms. According to Xia, although the Kim Jong-il regime knew that opening up the economy would increase the North Korean people's exposure to the outside world and might lead to calls for political reform, it needed money to maintain its control over society.

#### North Korean "Refugees"

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¶7. (C) Liu, Xue, Gong and Yu noted that one of China's biggest headaches was the North Koreans who had crossed the border into China, reportedly due to widespread starvation in North Korea. They said China was reluctant to label these North Koreans as "refugees." All of them mentioned that taking care of North Korean "border crossers" would not only cost a great deal of money, but granting them refugee status would be a further incentive for more North Koreans to cross the border into China.

Xue claimed that these North Koreans caused many vicious crimes in Northeast China and continued to cause trouble for local authorities. Furthermore, Xue said that many of these North Koreans were in fact merchants who travel back and forth. Liu said that China learned its lesson from the Vietnam War, claiming that many Vietnamese refugees refused to repatriate to Vietnam after the Vietnam War.

¶8. (C) Gong said that there was no benefit for China in recognizing them as refugees and said that Beijing treated, and should continue to treat, the international NGOs who work with

North Koreans in China very harshly. Gong also pointed out that other countries, particularly the South Korea, were being hypocritical. Gong mentioned that even South Koreans were thinking of North Korean escapees in South Korea (more than 10,000 persons now) as a burden, and said that North Korean escapees in South Korea often had very hard lives. Yu noted that Beijing could not just simply give these people "refugee" status before finding out more about their motivations. Furthermore, Pyongyang would object to any move by Beijing to give these people "refugee" status.

China-South Korea

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¶ 9. (C) On China-South Korea relations, most of the academics stated that the relationship between the two countries was good and constructive. They acknowledged, however, that there were frictions between the two countries over historical issues, and the potential border conflict surrounding the Baekdu/Changbai Mountain if the Koreas would be unified. Liu described South Korea's place in the Six-Party talks as "in the middle," and said that South Korea was playing an important role as the go-between with all the powers that were involved. Xue mentioned that in addition to good relations between Chinese and South Korean governments, the "Korean culture wave" or "Hallyu" coming from South Korea influenced Chinese popular culture in important ways and brought the two countries closer together.

¶ 10. (C) According to the academics, one very conspicuous debate between the academic communities of the two countries concerned historical heritages of the ancient kingdoms of Goguryeo/Gaoguoli and Balhae/Bohai. The two ancient kingdoms were located in the southern part of Northeast China and the northern part of Korean peninsula (Goguryeo in Korean and Gaoguoli in Chinese, 37 BCE - 668 CE; Balhae in Korean and Bohai in Chinese, 698 CE - 926 CE). The reaction has particularly strong from South Korea, where many people believed that the Chinese government-sponsored Northeast Project (2002 - 2006), which focused on historical studies of ancient kingdoms based in Northeast China, as a chauvinist act to "steal" a rightful part of Korean national history. Such nationalist commotions

SHANGHAI 00000416 003 OF 003

produced another international controversy surrounding the international border between North Korea and China around the mountain situated along the border (Baekdu in Korean and Changbai in Chinese), where certain individuals in South Korea began to claim the whole mountain for Korea with Chinese officials irately reacting against such claim.

¶ 11. (C) They said Beijing and Seoul were trying to control this issue and prevent it from poisoning the relationship. Liu stated that China was merely acting defensively against South Korean nationalist/irredentist historiography. According to Liu, Beijing tried to suppress each such studies in the past because of its relations with Pyongyang, but it finally allowed a "small" group of scholars to produce a "small" amount of research papers through the Northeast Project after being repeatedly provoked by South Korean history writers. Xue noted that it was only the South Koreans who were voicing such opinions while North Koreans were remaining silent. Liu wrapped up the border issue by saying that the border was confirmed decades ago through a PRC-DPRK "treaty" and another treaty would settle the border issue if it continued to be an issue even after the Koreas were unified.

Comment

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¶ 12. (C) Xue, Gong and Yu, all of whom appeared to be in their early 30's, had a very different attitude towards North Korea than Liu, Xia and Ren, who were a part of the older generation. The younger academics spoke with disgust about North Korea and its people, and appeared not to have much sympathy for them. For these young academics, it appeared that North Korea represented a backward country that held China back. Liu, Xia,

and Ren, were in their 50's and likely lived through the Mao era in China. They spoke of North Korea and its people in a more dispassionate tone and were overall more optimistic about North Korea's future.

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